



The President's Daily Brief

May 29, 1975

5

~~*Top Secret*~~ 25X1

Exempt from general
declassification schedule of E.O. 11652
exemption category 5B(1), (2), (3)
declassified only on approval of
the Director of Central Intelligence

FOR THE PRESIDENT ONLY

May 29, 1975

Table of Contents

- Laos: American officials yesterday reentered the AID and defense attaché compound in Vientiane. The communists may be having trouble consolidating their power. (Page 1)
- USSR: The Soviets have offered significant concessions to the West at the Conference on Security and Cooperation in Europe. (Page 3)
- Portugal: The Socialists emphasize that their attendance at a cabinet meeting yesterday does not mean they accept the extent of Communist influence in government. (Page 4)
- Lebanon: President Franjiyah made a significant concession in designating Rashid Karami to form a new government. (Page 6)
- Notes: Thailand-China; Italy (Page 7)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

LAOS

American officials yesterday reentered the AID and defense attaché compound in Vientiane without serious incident. The two US marine guards and one American civilian employee inside were unharmed. There are 182 official and 111 nonofficial American personnel still in the Lao capital.

The communists appear to be encountering serious difficulties in consolidating control over some former non-communist areas in northern and southern Laos. North Vietnam, however, is clearly prepared to assist the Lao communists with the logistic and combat support necessary to suppress any resistance. North Vietnamese regulars from the Plaine des Jarres have been committed to action in the area of General Vang Pao's former headquarters at Long Tieng.

According to intercepted messages, Lao communist and pro-communist neutralist forces "entered and seized" Long Tieng, Sam Thong, Bouam Long, and other former Meo strongholds in northern Laos on May 18 without any significant resistance. At least one battalion of Meo tribesmen joined the communists in their occupation efforts, and some 1,600 Meo villagers in Long Tieng agreed to "cooperate" with the Lao communists.

North Vietnamese messages intercepted on May 24, however, indicate that about 500 of Vang Pao's former Meo soldiers had reorganized themselves into three battalions and were "plotting to reoccupy Long Tieng." The messages add that the Pathet Lao had requested the North Vietnamese to bring "urgently" troops, tanks, and artillery into Long Tieng and Sam Thong, to suppress "the die-hard enemy soldiers," and to block the exodus of Meo refugees southward toward the Thai border.

Parts of the North Vietnamese 335th and 866th infantry regiments are participating in this operation, and Hanoi's 25th Engineer Battalion is clearing the way for armor and artillery convoys to enter Long Tieng.

(continued)

FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

There are also reports that serious disturbances have broken out in Pakse, Savannakhet, and Thakhek-- three former rightist urban strongholds in southern and central Laos taken over by the Lao communists nearly two weeks ago. The reports are sketchy and confusing, but they seem to suggest major conflict and disagreement between communist troops and student demonstrators over administration of the respective towns. The communists are said to have arrested some demonstrators. Serious rice shortages may exist in all three areas, and this may be contributing to the problems.

The North Vietnamese 128th Infantry Group is closely monitoring the situation in the Thakhek area and making combat preparations. A message intercepted on Tuesday urged units of the 128th to "prepare to make unusually great sacrifices side by side with the Lao communists in their struggle to seize power in Laos."

There are indications in communications intelligence that Hanoi may have ordered the headquarters of the North Vietnamese 968th Division and one of its subordinate infantry regiments to return to southern Laos from South Vietnam, where they have spent the past five months. Both units were last located in April along the South Vietnamese coast in the area of Nha Trang.

If the 968th is going back to Laos, it could be used along with other North Vietnamese combat units already in the southern panhandle to support Lao communist consolidation efforts in Pakse, Savannakhet, and other areas along the Mekong.

FOR THE PRESIDENT ONLY

USSR

The Soviets yesterday offered several significant concessions intended to hasten the conclusion of the Conference on Security and Cooperation in Europe.

The Soviet concessions apparently were timed to influence the NATO summit meeting and to enhance the prospect for a summit-level conclusion to the security conference in July. During lunch with the heads of the US, UK, and French delegations, Deputy Foreign Minister Kovalev offered as a "gesture of goodwill" to accept a number of Western proposals in the area of human contacts and information, which has been the key hurdle to completion of the negotiations. He said the USSR would accept the Western text on international travel, thereby agreeing to the "freer movement" concept of facilitating wider travel.

Kovalev also accepted the Western text intended to prevent the expulsion of journalists engaged in legitimate professional activity; this step is a major Soviet concession on an issue many Western delegates had regarded as hopelessly deadlocked. He added that the USSR would meet the West halfway in terms of a commitment on the subject of family reunifications and would agree to a paragraph on international broadcasting that would not include a statement on national responsibility for such transmissions.

The NATO caucus yesterday afternoon at Geneva concluded that the Soviet delegation probably has been instructed to make further concessions, which may be proffered if the West presses for them with a united front. Negotiations on the Soviet proposals may commence tomorrow in Geneva.

FOR THE PRESIDENT ONLY

PORTUGAL

Socialist Party spokesmen have emphasized that Socialist attendance at a cabinet meeting yesterday does not mean that the Socialists are backing down from their threat to quit the government unless Communist influence is curbed.

A final decision is not expected until party members meet with Armed Forces Movement representatives later this week. The Socialists may have felt compelled to attend yesterday's meeting, which dealt with Angola, after party leader Soares complained last week that major government policies were being formulated without cabinet participation. Soares had cited Angola as one of the serious problems that had not been considered by the cabinet for several months.

The Socialists are encouraged by the decision of the press council that Communist printers were at fault in seizing the Socialist newspaper *República* nine days ago. Information Minister Jesuino told the Lisbon American club that the paper could reopen as soon as the Socialist management wanted.

Despite their defeat in the newspaper dispute, the Communists held a planned demonstration last night in support of the military government. About 10,000 people were addressed by military leaders including President Costa Gomes. Their presence gave the rally an official stamp and may have dealt a blow to the Socialists. The Socialist and Popular Democratic parties accused the Communists of trying to appear to be the only party backing the Movement and refused to take part. Extreme leftists held a demonstration in another part of the city to protest the arrival of eight NATO ships following maneuvers off the Portuguese coast. A crowd estimated at 600 to 1,500 marched on the US embassy, but were turned back by paratroopers.

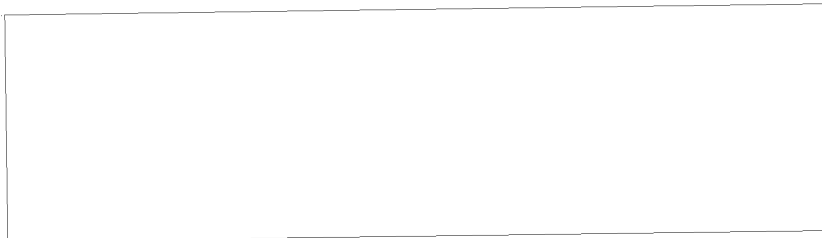
Prime Minister Goncalves, meanwhile, left for the NATO summit meeting in Brussels after announcing his intention to convince Western leaders that Portugal will remain in NATO. Goncalves may be

FOR THE PRESIDENT ONLY

more receptive to NATO as the result of a favorable report made by navy chief of staff and Revolutionary Council member Admiral Azevedo, who returned from a NATO conference last week. Azevedo told journalists last week that Portugal did recognize that Communist participation in its government posed problems for NATO, especially on nuclear matters.

* * *

25X1



FOR THE PRESIDENT ONLY

FOR THE PRESIDENT ONLY

LEBANON

President Franjiyah made a significant concession yesterday when he designated Rashid Karami, a powerful Sunni Muslim leader, to form a new government.

The two are long-time foes, and Karami, as a condition for serving as prime minister, no doubt demanded and probably was granted greater authority to choose his own cabinet and make policy than his weak predecessors were allowed. Karami has long charged that Muslims are underrepresented in Lebanon's government and has called for fundamental changes in the country's 30-year-old National Covenant, which provides for the distribution of political posts on the basis of what is now only the fiction of a Christian majority in the country's population.

Syria and the Palestinians will welcome Karami's appointment. He is an Arab nationalist and in 1969 gave up an effort to form a government to protest an attempt by former president Hilou to use force to control the fedayeen. Karami later became prime minister after the rights and responsibilities of Palestinians in Lebanon were spelled out in the Cairo Accord of November 1969.

The Phalangists, who have been engaged in a week of armed clashes with Lebanese leftists and radical fedayeen, have long opposed Karami. They nevertheless appear willing to give him a chance; Phalangist leader Jumayyil said yesterday that his party "seeks stability and supports a strong prime minister to ensure this."

FOR THE PRESIDENT ONLY

NOTES

Thailand's decision to formalize relations with North Vietnam, perhaps in the near future, may have accelerated plans for recognition of China.

[redacted] the Thai cabinet decided [redacted] to establish diplomatic relations with China by July 1. [redacted] the Thai national security council had recommended that recognition not be granted before September in order to allow the government time to iron out domestic problems, such as the provision of citizenship for Thailand's large overseas Chinese population. The government has already accepted the fact that it will have to sever diplomatic ties with Taipei before recognizing Peking. If Bangkok makes clear its intention to break ties with Taipei, Peking will be prepared to begin formal negotiations at an early date and will probably attempt to move the talks at a rapid pace.

25X1
25X1
25X1

* * *

The campaign for Italy's nationwide regional and local elections on June 15 is in full swing, with debate centering on national political themes.

"Law and order" is generating the most heat. One of parliament's last acts before recessing last week was to pass a law intended to combat rising crime and political violence; none of the parties was satisfied with the final version. The elections are also focusing on the question of broader Communist participation in national policy-making. Christian Democrat leader Fanfani has given a firm "no" to this idea, while Communist chief Berlinguer still maintains that Italy's problems can be solved only by ending "discrimination" against his party, Italy's second largest. [redacted]

25X1

25X1

Top Secret